



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20310-2600

**REPLY TO
ATTENTION OF**

CECW-PM (1105-2-10a)

24 DEC 2002

SUBJECT: Gulf Intracoastal Waterway, Brazos River to Port O'Connor, Matagorda Bay Re-Route, Texas

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on navigation improvements for the Gulf Intracoastal Waterway (GIWW), Brazos River to Port O'Connor, Matagorda Bay Re-Route, Texas. It is accompanied by the report of the district and division engineers. These reports were prepared under the authority of Section 216 of the 1970 Flood Control Act. This authority provides for a review of completed U. S. Army Corps of Engineers projects that may have changed because of physical or economic reasons. Preconstruction engineering and design activities for the modified project will be continued under the above authorities.
2. The existing Matagorda Bay reach of the GIWW was constructed in the 1940's and extends from channel mile 454 to 473, a distance of about 19 miles. Since the completion of the existing GIWW channel, strong cross currents have developed as a result of the interplay with the natural bay opening at Pass Cavallo and the deep-draft Matagorda Ship Channel and its jettied entrance channel, which were constructed in the 1960's. These cross currents result in significant vessel delays, property damages, and high waterway maintenance costs for the existing Matagorda Bay reach of the GIWW.
3. The reporting officers recommend that the portion of the existing GIWW across Matagorda Bay, between mile markers 460 and 472, be rerouted approximately 6,000 feet north of and parallel to the existing alignment. The channel will have a depth of 12 feet and a bottom width of 125 feet which is the same as the existing channel. In the vicinity of bends in the channel, the bottom width will average 300 feet. The recommended plan will make beneficial use of dredged material to provide for the construction of approximately 135 acres of marsh at Palacios Point and 160 acres of marsh near Port O'Connor. It will also be used to nourish beaches at Sundown Island, a National Audubon Society site, and the beach at Port O'Connor. This is the least costly implementable method for disposing the dredged material. No mitigation is required.

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4. The first cost of the recommended plan, based on October 2002 price levels, is estimated at \$14,515,000. Average annual costs, based on an interest rate of 5 7/8 percent and a 50-year period of analysis, are estimated at \$1,553,000, including \$923,000 for the amortized first cost and \$630,000 for all necessary operation and maintenance activities. The recommended plan would provide \$1,193,000 annual benefits by reducing vessel delays and would also provide a savings of annual operations and maintenance costs of the existing channel of \$992,000, for a total average annual benefit of \$2,185,000. The resulting incremental average annual economic benefits and costs of the recommended plan are estimated at \$2,185,000 and \$1,553,000, respectively, with incremental net benefits of \$632,000 and a benefit-cost ratio of 1.4. The proposed plan of improvement is the national economic development plan. The proposed plan will reduce transportation costs to the Nation, provide safe and dependable navigation, and preserve the environmental resources of the area.

5. The Gulf Intracoastal Waterway, Brazos River to Port O'Connor, Matagorda Bay Re-Route, Texas, is a segment of the inland waterway identified in Section 206 of the Inland Waterways Revenue Act of 1978, as amended. In accordance with the cost described in Section 102 of the Water Resources Development Act of 1986, one half of the cost of construction shall be paid from amounts appropriated from the general fund of the Treasury and one-half of the cost of construction shall be paid from amounts appropriated from the Inland Waterway Trust Fund.

6. Washington level review indicates that the recommended plan is technically sound, economically justified, and environmentally and socially acceptable. The plan conforms with essential elements of the U.S. Water Resources Council's Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies and complies with other administration and legislative policies and guidelines. Also, the views of interested parties, including Federal, State and local agencies have been considered.

7. I concur with the findings, conclusions, and recommendation of the reporting officers. Accordingly, I recommend that implementation of the proposed project be authorized subject to cost sharing described in Section 102 of the Water Resources Development Act of 1986. The cost of construction, including planning, designing, engineering, surveying, the acquisition of all lands, easement, rights-of-way, and relocations necessary for the project, shall be paid one half from amounts appropriated from the general fund of the Treasury and one-half from amounts appropriated from the Inland Waterway Trust Fund.

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8. The recommendation contained herein reflects the information available at this time and current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program nor the perspective of higher review levels within the executive branch. Consequently, the recommendation may be modified before it is transmitted to the Congress as a proposal for authorization and implementation funding. However, prior to transmittal to the Congress, the sponsor, the State of Texas; interested Federal agencies; and other parties will be advised of any significant modifications and will be afforded an opportunity to comment further.

A handwritten signature in black ink, appearing to read "Robert B. Flowers", with a long, sweeping horizontal line extending to the left.

ROBERT B. FLOWERS

Lieutenant General, U.S. Army
Chief of Engineers